



Proof of Income for Self-employed Persons – important information from Housing ACT

What is different about proof of income for self-employed persons?

The intention of this policy is to treat the income of self-employed persons and salary and wage (PAYG) recipients in an equivalent manner. It is recognised, however, that a self-employed person will be able to reduce their gross business income by deducting legitimate business expenses to arrive at a net income figure to be used for assessment of their eligibility.

Non-allowable business expenses

The following non-allowable business expenses for determining income include:

- any remuneration including salaries or wages, director's fees or drawings from the business or equity paid to any member of the household;
- rent paid to Housing ACT for a public housing tenancy;
- rent paid to a community housing organisation for a community housing tenancy;
- donations and gifts, including gifts to other household or family members;
- depreciation or any other capital allowances; and
- negative gearing expenses.

If you earn income as a sole trader

In cases where the self-employed person earns income as a sole trader, the latest individual tax return and assessment by the Australian Taxation Office and detailed Profit and Loss Statement and Balance Sheet should be sufficient evidence to determine the income for assessing eligibility.

If you earn income from a partnership

In cases where the self-employed person earns income from a partnership, the latest partnership tax return may be required in addition to the information required above.

If you earn income as a Director of a company

In cases where the self-employed person receives income as a Director of a company as an owner or part owner or otherwise of the company or from owning shares in the company, the company tax return may be required in addition to the information required for an individual specified above.



Certification of Documentation

Where Profit and Loss Statements, Balance Sheets, tax returns and tax assessments are provided, they must be endorsed by a certified/registered accountant.

Income less than the relevant Centrelink benefit

If your income is less than the relevant Centrelink benefit you may be deemed to be receiving income equivalent to that benefit. For example, if you are entitled to Newstart Allowance but do not apply for it, you will be taken to be receiving that benefit and the amount will be included in your income assessment.

For rental rebate purposes only

The calculation of income for determining rental rebate entitlement will now be aligned with the timing for lodgement of tax returns so that part of the basis for assessing rebates will be the income calculated from the latest tax return and assessment by the Australian Taxation Office. Additionally, as indicated above, the Profit and Loss Statement and Balance Sheet will also be required.

Further Information

For more information, contact your Housing Manager or telephone the Community Services Directorate on 133427.

For more assistance on Housing ACT matters, please telephone 133 427.

Accessibility

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